

# **EXHIBIT 1**

1  
2 UNITED STATES DISTRICT COURT  
3 SOUTHERN DISTRICT OF NEW YORK

4 - - - - -x

5 SERGEY LEONTIEV,

6 Plaintiff,

Case No. 16-cv-3595

7 -against-

8 ALEXANDER VARSHAVSKY,

9 Defendant.

10 - - - - -x

11 January 5, 2017

12 9:41 a.m.

13  
14  
15 Videotaped deposition of  
16 ALEXANDER VARSHAVSKY, taken by Plaintiff,  
17 pursuant to Notice, held at the offices of  
18 Gibson, Dunn & Crutcher LLP, 200 Park  
19 Avenue, New York, New York, before  
20 Sharon Lengel, a Registered Professional  
21 Reporter, Certified Realtime Reporter, and  
22 Notary Public of the State of New York.

23  
24 \* \* \*  
25

A P P E A R A N C E S:

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BY: SEAN HECKER, ESQ.

ALISA MELEKHINA, ESQ.

ALSO PRESENT:

WAYNE SALINE, Videographer

ROMAN SANIKOV, Interpreter

ALEXANDER KULNEV, ESQ.

\* \* \*

1                                   VARSHAVSKY

2       Probusinessbank?

3           A.       Yes.

4           Q.       Do you know what his role was at  
5       Probusinessbank?

6           A.       I think, like, CEO or --

7           Q.       Okay. Did Mr. Zheleznyak  
8       have -- was he an officer of Ambika?

9           A.       I don't know.

10          Q.       Did he have any position at  
11       Ambika, to the best of your knowledge?

12          A.       I have no idea.

13          Q.       Okay. What business is Ambika  
14       in?

15          A.       Before all that happens, I have  
16       no idea what the business they was in, the  
17       Ambika was in. But after the -- all this  
18       happens, I just find out what -- the  
19       Ambika was offshore company, which belong  
20       to Zheleznyak and Leontiev.

21          Q.       Okay.

22          A.       At that point, I didn't know.

23          Q.       You said that before all this  
24       happened.

25                   Were you referring to the

1                                   VARSHAVSKY

2       takeover of the bank and --

3           A.       No.    Before they stopped paying  
4       the interest and repaying the loan.

5           Q.       When did that happen?

6           A.       In August 2015.

7           Q.       Before that, before August 2015,  
8       you had no idea what Ambika was?

9           A.       Absolutely.

10          Q.       Did you do any investigation  
11       into Ambika's financial condition before  
12       you lent it -- before your company lent it  
13       \$19.9 million?

14          A.       Me personally, not.

15          Q.       Okay.   Did anybody -- well,  
16       first off, what is -- what is New York  
17       Motors Moscow?

18          A.       It is the company which sells  
19       cars.

20          Q.       What is its relationship to  
21       Avilon?

22          A.       It was re-branding.   Before, it  
23       was New York Motors Moscow.   Then it's  
24       Avilon.

25          Q.       All right.   So New York Motors

1                                   VARSHAVSKY

2       my legal department. I have no idea.

3           Q.       Did Mr. Zheleznyak tell you that  
4       Ambika had any assets?

5           A.       Yes.

6           Q.       What assets did Mr. Zheleznyak  
7       tell you was Ambika-owned?

8           A.       It's the company which buy and  
9       sell the blue chips, like investment. And  
10      he showed me the list, what they own, what  
11      kind of shares from which company.

12          Q.       Did Mr. Zheleznyak show you a  
13      list of blue chip stocks that they owned  
14      in 2008?

15          A.       No.

16          Q.       Okay. And when the loan was  
17      made in 2008, did Mr. Zheleznyak tell you  
18      anything about what assets or liabilities  
19      Ambika had?

20          A.       No. He always was telling me,  
21      "Your money is secure. Your money is  
22      guarantee. We not keeping the money in  
23      Russia. We keeping the money outside of  
24      Russia, specifically in London." He  
25      mentioned that many times, but not

1                                   VARSHAVSKY

2       specified.

3                               (PPlaintiff's Exhibit 62, An  
4       email, Bates AVPE0000472, was hereby  
5       marked for identification, as of this  
6       date.)

7       Q.       Mr. Varshavsky, I've handed you  
8       a document that was produced by your  
9       lawyers. It's been translated. Feel free  
10      to use the Russian or the English.

11                      Do you see, at the bottom,  
12      there's an email from Irina Monakhova --

13      A.       Monakhova.

14      Q.       Monakhova. Thank you.

15                      And she is the chief financial  
16      officer of Avilon; is that correct?

17      A.       Yes.

18      Q.       And was she the chief financial  
19      officer of Avilon in 2008?

20      A.       Yes.

21      Q.       Okay. Who is Svetlana Geris?

22      A.       It's a person who used to work  
23      at the New York office.

24      Q.       Okay. And who is Valentina  
25      Nazanskaya?

1                                   VARSHAVSKY

2       the loan to Ambika?

3           A.       I have no idea.

4           Q.       I thought you said previously  
5       that Probusinessbank and Ambika were  
6       completely unrelated.

7                   MR. HECKER:  Objection to --

8           Q.       Is that correct?

9                   MR. HECKER:  Objection to form.  
10       Mischaracterizes his testimony.

11       A.       I know Ambika is offshore  
12       company which is not related to the bank.

13       Q.       Okay.  So do you know why  
14       Probusinessbank was negotiating or  
15       offering terms for Ambika?

16       A.       Because all the terms I was  
17       negotiating with Zheleznyak.  Zheleznyak  
18       negotiated for the both, for the Ambika  
19       or -- from -- I don't know the name, but  
20       he negotiate from -- for the offshore and  
21       for the bank.

22       Q.       You didn't know the name of  
23       Ambika at the time you negotiated with  
24       Mr. Zheleznyak; is that correct?

25       A.       Absolutely not.



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CERTIFICATION

I, SHARON LENGEL, a Notary Public for  
and within the State of New York, do  
hereby certify:

That the witness whose testimony as  
herein set forth, was duly sworn by me;  
and that the within transcript is a true  
record of the testimony given by said  
witness.

I further certify that I am not  
related to any of the parties to this  
action by blood or marriage, and that I am  
in no way interested in the outcome of  
this matter.

IN WITNESS WHEREOF, I have hereunto  
set my hand this 16th day of January,  
2017.



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SHARON LENGEL, RPR, CRR

\* \* \*